

Exhibit 292

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Mexican Bitcoin Exchange Bitso Raises \$250 Million, Becomes Latin America's First Crypto Unicorn

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Bitso co-founder and CEO Daniel Vogel BITSO

Today, Bitso, the largest cryptocurrency platform in Latin

America, announced it raised \$250 million in Series C investment. The round, co-led by hedge fund giant Coatue and investment firm Tiger Global, puts the company's valuation at \$2.2 billion, making it one of the largest fintechs in the region and its first crypto unicorn. Other investors in the round include Paradigm, BOND, Valor Capital Group, QED, Pantera Capital and Kaszek. In December 2020, Bitso [raised a \\$62 million Series B](#) at an undisclosed valuation.

The investment will be used to continue providing access to cryptocurrencies for local residents and expand operations, says Bitso's co-founder and CEO Daniel Vogel. "We want to make sure that folks in the region really benefit from accessing these global financial services that are getting built on top of blockchain."

Founded in 2014, the Mexico City-based company offers multiple cryptocurrency products and services to more than 2 million customers across Mexico, Argentina and Brazil. These include the Bitso App that lets users buy, sell, send, or receive bitcoin and 8 other cryptocurrencies; Bitso Alpha, a professional-grade crypto trading platform; and Bitso Business, a suite of cross-border products for local enterprises.

The company claims it has more than a 95% crypto market share in Mexico and more than a 60% share in Argentina. In January 2021, Colombian regulators reportedly [chose](#) Bitso as one of the nine companies allowed to test crypto use cases under the government's pilot program. Bitso is also preparing to introduce a crypto derivatives trading platform and interest-bearing crypto accounts.

In the U.S., Bitso is perhaps better known for its crypto remittances services conducted in partnership with San

Francisco-based Ripple, which also [invested](#) in the company. Last year, Bitso processed about \$1.2 billion in remittances, amounting to 2.5-3% of the yearly remittances volume between the U.S. and Mexico, according to Vogel. The lion's share of those flows was powered by Ripple's On-Demand Liquidity Service (ODL), delivering instant cross-border payments without pre-funding through Ripple's cryptocurrency XRP.

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In December, several cryptocurrency exchanges and platforms, including Coinbase and Crypto.com, delisted XRP following SEC's lawsuit [accusing](#) Ripple of running a \$1.38 billion unregistered offering of XRP, which the regulators deemed a security and not a cryptocurrency. Vogel noted that the joint initiative "lost some of the momentum" but declined to provide details on the company's current relationship with Ripple. The company later issued a separate statement in an email to Forbes: "Bitso has not made any changes to XRP trading at this time and will keep monitoring the regulatory situation."

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Regional trends

In Latin America, crypto is used primarily for speculation, trading and capital mobilization, driven by remittance needs, the devaluation of local currencies and expensive financial services.

But even though steep exchange rates and the constant devaluation of fiat or local currencies favor crypto adoption, there are still barriers to entry for new users, explains Samuel Gómez Milano, executive director and co-founder of CoinGroup, a Venezuelan research firm specialized in crypto and blockchain technology.

According to Gómez Milano, there is no overarching body that regulates crypto and blockchain-related financial services in the region. Mexico was the first country to enact a comprehensive [fintech law](#) in March 2018, but the legislation is [ambiguous](#) about crypto, providing a clear framework only for banks and fintechs' use of virtual assets.

Another disadvantage of crypto usage in the country is the economy's over-reliance on cash, which accounts for **90%** of all transactions, and a **largely unbanked** population. Instead of setting up their own crypto wallet through popular platforms, those interested in venturing into crypto prefer to find experienced individuals who already have a wallet and offer their services for a commission.

“WhatsApp, Telegram, Facebook Messenger, are the default channels people use to buy and sell crypto in Latin America. They prefer to find an experienced user with a good reputation, even when there are platforms like LocalBitcoins, Buda and Panda, because they think it’s easier,” says Gómez Milano. Even though there’s a higher risk of getting scammed using these popular messaging apps, he thinks people prefer this method because crypto is still confusing to many, and direct communication helps bridge that information gap.

Despite these challenges, remittances could be one of the main drivers of increased crypto usage. Mexico alone took in **\$4 billion** in remittances in March last year, up 35% from the year prior. In 2020, amid the economic slowdown, remittance flows into the region remained largely the same compared to the previous year, at **\$96 billion**.

Banks like Western Union  **WU +1.1%** are the most expensive channel to send remittances, with an average fee of **10.9%** per transaction, requiring the recipient to collect the money at an agent location if it’s needed immediately. Direct account deposits can take up to five days. In comparison, the transfer cost via cryptocurrency is 0.1% and goes directly to the recipient in a matter of minutes.

“In Mexico, Bitso made evident the advantages of using crypto for

remittances. The exponential growth of this platform proves that it is really helping [recipients]," says Eloisa Cadenas, CEO of consulting firm CryptoFinTech and professor at the Mexican Stock Exchange Group.

Cadenas believes this inefficiency provides ample opportunity for crypto exchanges to grow in the financial services industry. Banks in Latin America are known for lending at high interest rates and charging exorbitant fees with APRs as high as [70%](#) in countries like Mexico, compared to [5.9%](#) crypto platforms like Nexo charge.

Mass adoption has a long way to go, with the region representing between [5% and 9%](#) of all crypto activity per month over the last year. But remittances and high lending fees from the incumbents are not going anywhere, which will continue to incentivize crypto usage.

"The remittances market will continue to grow as long as the U.S. is rich and Latin America isn't," says Gómez Milano. "There will always be migration, driven by the financial and labor disparities [between them]."

**Interviews with Samuel Gómez Milano and Eloisa Cadenas were conducted in Spanish and translated by co-author Maria Abreu.*



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